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Diana T Fritz 03/29/2007 02:27:48 PM From DB/Inbox: Diana T Fritz

Cable
Text:

S E C R E T ABU DHABI 00493

SIPDIS

CXABU:

ACTION: ECON
INFO: OFAC DAO P/M AMB DCM POL

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: AMB:SISON
DRAFTED: ECON:TBRYS
CLEARED: ECON: OJOHN

VZCZCADI951
RR RUEHC RUEHDE RHEHNSC RUCPDOC RUEATRS RHEFHLC
RUEAIIA RHEFDIA
DE RUEHAD #0493 0811247
ZNY SSSSS ZZH
R 221247Z MAR 07
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 8609
INFO RUEHDE/AMCONSUL DUBAI 6946
RHEHNSC/NSC WASHDC
RUCPDOC/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC

S E C R E T ABU DHABI 000493

SIPDIS

STATE FOR ISN FO (JROOD), ISN/CPI (TFOLEY, CRUSSELL, RPAN),
ISN/MTR
NSC FOR DSTEPHENS
TREASURY FOR BHAMMERLE
COMMERCE FOR MBORMAN

E.O. 12958: DECL: 03/20/2017

TAGS: PREL PARM PGOV ETTC ETRD ECIN AE IR

SUBJECT: IRANIAN PROCUREMENT ENTITIES NON-PAPER DELIVERED
AT MARCH 1 U.S.-UAE COUNTERPROLIFERATION TASK FORCE

REF: ABU DHABI 422

Classified By: AMBASSADOR MICHELE J. SISON FOR REASONS 1.4 B & D.

1.(C) At the March 1 U.S.-UAE Counterproliferation Task Force (reftel), the U.S. delegation provided the following additional interagency-cleared non-paper to the UAE delegation.

2.(S/Rel UAE) Begin text.

--As you are aware, we have previously discussed with you our concerns regarding efforts by the Austrian firm Daniel Frosch Export (DFE) Industrial Spare Parts and the UAE-based entity Bazar Trading Co to supply Iranian defense- and missile-related organizations.

--We now want to provide you with additional information about this case and request your government investigate this activity.

--We now have information that in February 2007, the owner of DFE, Daniel Frosch, was working to resolve a number of payment problems with several of his customers in Iran, the Payam Trading Company, Tiz Pars Company, and the Electronic Equipment Company.

--Each of these three companies has links to Iran,s military or its missile program.

--Specifically, Payam Trading Company is a front company for Iran,s M. Babaie Industries, which is responsible for the development of surface-to-air missiles, while Electronics Equipment Company is a procurement cover for Ya Mahdi Industrial Group, which oversees production of anti-tank missiles.

--The Tiz Pars Company is a front company for Iran,s liquid-fueled ballistic missile developer, the Shahid Hemmet Industrial Group (SHIG). All three of these entities are subordinate to Iran,s Aerospace Industries Organization (AIO).

--We understand that these payment problems have led Daniel Frosch to sell his shares in Bazar Trading to its managing director, Mohammad Rohani. Our information indicates that Frosch plans to open a new business in his Dubai apartment to continue his business dealings with Iran.

--You will recall that we have discussed with you Daniel Frosch, Bazar Trading, and Rohani,s business dealings with Payam Trading and Tiz Pars previously and requested you investigate their trading activities in the UAE.

--We now request that you immediately investigate this information and take measures to shut down Bazar Trading, as well as curtail any further defense-related business conducted by Daniel Frosch in the UAE.

--We look forward to continuing cooperation with your government on nonproliferation issues and would appreciate hearing the results of your efforts in this matter at the earliest possible time.

End Text.
SISON